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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12/24/08

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AMERICAN EMBASSY, TOKYO
PUBLIC AFFAIRS SECTION
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December 24, 2008

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- (1) Verification of SDF Iraq dispatch: Japan urged to make visible personnel contributions

ASAHI (Page 3) (Full)
December 19, 2008

By Michael Green, Japan chair at the Center for Strategic an

International Studies

Needless to say, Japan's dispatch of Air Self-Defense Force's C-130 cargo planes to Iraq was significant in operational terms, but it was more important from the symbolic, political and strategic aspects. The dispatch of C-130 planes was unprecedented for Japan, in the same way as the dispatches of Ground Self-Defense Force troops to Samawah and Maritime Self-Defense troops to the Indian Ocean. In this sense, the C-130 mission had a major impact, and Japan was able to show its willingness to assume a risk with other countries by not only providing money but also dispatching personnel to help reconstruct and stabilize Iraq and Afghanistan.

As time passed, however, its symbolic meaning has waned, and it has become necessary for Japan to consider what role it should play next.

Japanese people might believe that Japan will be able to gain a high reputation once it plays an international role, but the international community takes a different view. The international view is that since Japan took a step forward, it should play a more significant role next. Japan has not fully responded to the growing expectation of the international community.

With the withdrawal of C-130 cargo planes from Iraq has widened the gap between Japan and the international community further. Only about 30 SDF troops have been sent overseas to join UN peacekeeping operations (PKO). It is still uncertain what mission the SDF will perform in Afghanistan in the future. It was only Japan that has not offered personnel contributions, that is, "boots on the ground,"

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among the Group of Seven (G-7) nations, which participated in the Hokkaido Toya Lake Summit.

There should be various options, like mobilizing transport helicopters or supporting the Provisional Reconstruction Team (PRT). Anyhow, Japan should make visible contributions. Continuing the refueling mission in the Indian Ocean alone is not enough. Japan's expanded strategic importance might shrink again.

(2) Government to enable MSDF refueling ship in Indian Ocean to protect Japanese vessels from pirates off Somalia when necessary

SANKEI (Top Play) (Excerpts)
December 24, 2008

The government yesterday decided to issue a patrol-action order to a Maritime Self-Defense Force's (MSDF) ship on the refueling mission in the Indian Ocean to escort a Japanese vessel when the vessel is likely to be attacked by pirates in waters off Somalia, Africa. This will be a transitional measure to be implemented until an anti-piracy bill, now being drafted by the government's Comprehensive Maritime Policy Office, is enacted into law. An increasing number of attacks on freighters and other ships by pirates off Somalia have been reported. A government source commented: "In the case of an attack, which is highly possible, the government will issue an order for maritime patrol action without hesitation.

Maritime patrol action based on Article 82 of the Self-Defense Force (SDF) Law allows the SDF to take necessary action to protect Japanese lives and property and to maintain public order in the place of the Japan Coast Guard (JCG) when an emergency unable to be handled by the JCG occurs. The government judges it is possible under this law for MSDF vessels to escort: (1) foreign ships whose operations are managed by Japanese firms; and (2) ships carrying Japanese nationals, besides Japanese-registered ships. Even so, there are more than 2,300 ships that meet these conditions, so Japan plans to escort only Japanese-registered ships for the time being.

The defense minister is authorized to issue a patrol-action order upon obtaining approval from the prime minister. But since it will take about month if an escort ship is dispatched from Japan, the government intends to have an escort ship deployed in the Indian Ocean based on the revised New Antiterrorism Special Measures Law

engaged in the anti-piracy mission for the time being. In the case of the MSDF ship attacked by pirates, it will be allowed to make a counterattack with weapons based on the Policemen's Duty Performance Law. The government will also consider the possibility of dispatching from Japan an escort ships to tighten security off Somalia. In this case, a ship will be dispatched next spring or later due to MSDF personnel training.

The patrol-action decision stems from the judgment that it would take considerable time to enact legislation on anti-piracy measures. Some in the government and the ruling camp are hoping to enact a general law pertaining to anti-piracy measures, but the Democratic Party of Japan has indicated that it would not respond to the government's call for talks on the issue before the next House of Representatives election.

(3) Finance Ministry to extend support to Japanese firms doing business in developing countries, by expanding JBIC loan framework

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NIKKEI (Top Play) (Excerpts)
December 24, 2008

The Finance Ministry will expand support to Japanese companies doing business in or with developing countries. To be precise, it will expand the range of business areas of the Japan Bank for International Cooperation (JBIC), the international arm of Japan Finance Corporation, to allow it to finance as an exceptional measure Japanese exporters and large firms with operations in developing countries until the end of fiscal 2009. Its aim is to prevent Japanese companies' business with developing countries from becoming stagnant due to financial problems stemming from the global financial crisis.

The Finance Ministry intends to release the decision on December 25. An exceptional measure will then be put into motion. It will include approximately 300 billion yen in loans to the JBIC drawn from the fiscal investment and loans program in the fiscal 2008 second supplementary budget, which it will submit to the regular Diet session to be convened early next year.

Following the spreading financial crisis, trade financing is contracting throughout the world. According to an estimate made by the World Trade Organization (WTO), there is a shortage of funds worth 25 billion (approximately 2.25 trillion yen) throughout the world. An official of the Foreign Ministry Economic Affairs Bureau said, "Some developing countries are unable to procure dollars for import payment."

An increasing number of companies in developing countries are asking Japanese exporters for progressive payments. As such, the JBIC will make payments on such companies' accounts until Japanese companies can collect payment from them in order to help them smoothen their cash management so that exports to developing countries will not become stagnant.

Developing-country units of domestic firms, meanwhile, are having difficulty raising capital locally, forcing them to turn to their parent companies for funding in such forms as making investment in or extending loans to them. A Finance Ministry official said, "In some cases, Japanese companies are having to increase their investments in venture firms overseas to keep them afloat because their local partners have pulled out, citing financial distress." With such circumstances into consideration, the JBIC will extend low-interest loans to parent companies in Japan to supply capital to Japanese companies operating in developing countries and venture firms so that they can keep their operations.

For assistance to developing countries, the Japanese government and the World Bank in November agreed to establish a bank to reinforce capital of developing countries' banks. Japan announced that it would disburse capital worth approximately 2 billion dollars though the JBIC and inject funds when local banks in Africa and Asia suffer a capital shortage. It will thus provide assistance to local financial institutions. It will also shore up local economies, by

boosting the injection of private-sector funds through low-interest loans to Japanese companies.

(4) TOP HEADLINES

Asahi:

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Ancient coin "wado kaichin" may have been mass-produced

Mainichi:

Transplant society to introduce registration system in January to track organ transplants

Yomiuri:

Workers of U.S. Big Three distressed

Nikkei:

Finance Ministry to expand support for Japanese firms doing business in developing countries

Sankei:

Government to enable MSDF refueling ship in Indian Ocean to protect Japanese vessels from pirates off Somalia when necessary

Tokyo Shimbun:

16 leading firms hold enormous reserves while cutting 40,000 jobs

Akahata:

Group offers consultation services for distressed workers

(5) EDITORIALS

Asahi:

(1) Former Prime Minister Sato's statement: Politicians must seriously discuss nuclear issue

(2) New NHK Committee chairman must keep responsibility of public broadcasting in mind

Mainichi:

(1) Citizens should be interested in protecting seas

(2) Abandonment of administration in row represents collapse of system to raise leaders

Yomiuri:

(1) Japan to greet New Year with politics and economics in turmoil

Nikkei:

(1) Review current job-offer system giving priority to new graduates

(2) Quickly dispatch SDF vessels to waters off Somalia

Sankei:

(1) Sato's nuclear statement: Abandoning nuclear option unnecessary

(2) Influenza: Thorough prevention is the best countermeasure

Tokyo Shimbun:

(1) Scrap of Hamaoka Nuclear Plants: Caution needed for new plants

(2) Will U.S. Big Three be able to create a new automobile society?

Akahata:

(1) Road tax revenues: Where have financial sources for ordinary citizens gone?

(6) Prime Minister's schedule, December 23, 2008

NIKKEI (Page 2) (Full)

December 24, 2008

09:59

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Took a walk around the private residence in Kamiyama-cho.

12:22

Attended a ceremony to celebrate the Emperor's birthday held in the Imperial Palace with his wife Chikako.

15:14

Met with Deputy Chief Cabinet Secretary Matsumoto at his personal office.

16:08

2008 News Photo Exhibition held at Mitsukoshi Department Store in Murocho, Nihonbashi, with his wife.

17:09

Arrived at the private residence.

ZUMWALT